ACC Responsible Care® Management System and Certification Overview

American Chemistry Council
Good Chemistry Makes It Possible

Barry Stutts

Bayer Corporation

on Behalf of the ACC

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Today's RCMS Discussion

- Responsible Care® Management System

  - Developing the RCMS and it's Elements

- Supporting Documents

  - Implementation Guidance and Related Documents

- Certification Background

- Requirements & Key Elements

- Options for Certification

  - RCMS Only or RC14001

- Q&A

Responsible Care® Management System (RCMS)

- **ACC Board approved RCMS concept in June 2002. RCMS will:**

    - Serve as the key organizing model for Responsible Care®;

    - Retain relevant attributes from existing Codes;

    - Allows for response to emerging trends/issues/ACC requirements;

    - Allow for efficient bridging with company systems; and

    - Applies to Partner companies.

Responsible Care® Management System

- Team formed in July 2002.

- Chaired by Steve Kemp, Occidental Chemical

- Includes mix of large and small companies (BASF, Bayer, Charkit, ChevronPhillips, NOVA, Huntsman, Lubrizol, OxyChem, Shell, SOCMA, ACC

- SOCMA representation on team.

- Good mix of management systems experts and Responsible Care® experts.

Responsible Care® Management System

Responsible Care® Codes

MSV Protocol

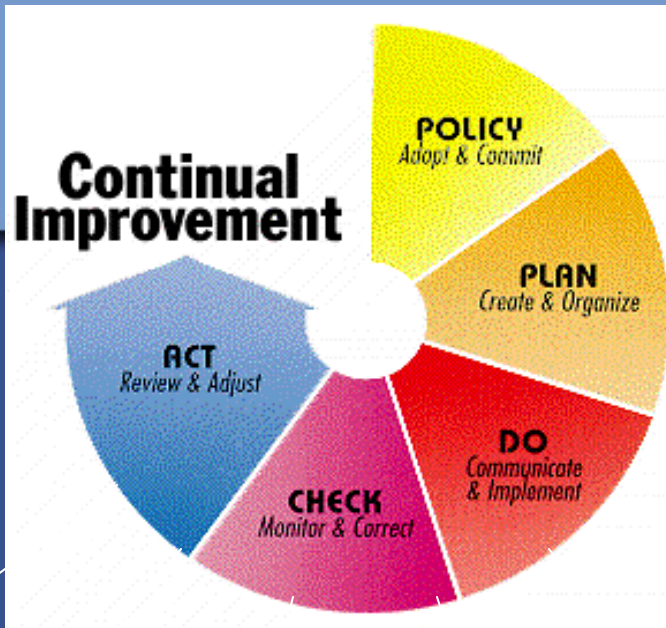RC14001 Technical Specification

ISO Models

Influences

RCMS Technical Specification

Responsible Care® Management System

- **Transition to a Management System**
  - Policy and Leadership
  - Planning
  - Implementation, Operation and Accountability
  - Performance Measurement, Corrective and Preventative Action
  - Management Review and Reporting
- **If you're familiar with ISO, this should look very familiar.**

Responsible Care® Management System

- The management system defines how you <u>manage</u> what you do.

- Guidelines and procedures define how you <u>carry out</u> your company activities.

- What's <u>important</u> comes from leadership setting visions, policies and performance expectations.

Responsible Care® Management System

- Section 1 – Policy and Leadership

  - A policy establishes an overall sense of direction and sets the principles of action for an organization. It sets the overarching goal as to the level of overall responsibility and performance required of the organization and against which all subsequent actions shall be judged.

  - Responsibility for setting policy should rest with the organization's senior management.

  - Senior management is responsible for implementing the policy and providing input to its formulation and modification.

- Section 2 – Planning

  – An organization shall formulate a plan to fulfill its policy.

  – Organizations need to understand their hazards, risks and impacts both inside and outside their fence lines (includes products).

  – This is an ongoing process which can be impacted by numerous internal and external events/activities.

Responsible Care® Management System

- Section 3 – Implementation, Operation and Accountability

  - For effective implementation, an organization should develop the capabilities and support mechanisms necessary to achieve its policy, objectives and targets.

  - This is a dynamic continuous improvement process.

  - An organization should focus and align its people, systems, strategy, resources and structure in order to achieve its objectives.

- Section 4 – Performance Measurement, Correction Action and Preventative Action

  - An organization should measure, monitor and evaluate its performance.

  - There should be a system to measure and monitor actual performance against the organizations objectives and targets.

- Section 5 – Management Review and Reporting

  - The organization's management should, at appropriate intervals, conduct reviews of the RCMS to ensure its continuing suitability.

  - The review should be broad enough in scope to address the RC dimensions of its activities, products or services.

# Responsible Care® Management System - Sample Process

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Policy 1.5
Promote openness
with stakeholders

Mgmt. Review 5.2
Report RCMS
performance
to stakeholders

Planning 2.4
Assess stakeholder
concerns

Measurement 4.6
Evaluate communications
effectiveness

Implementation 3.5
Maintain Dialogue
with Stakeholders
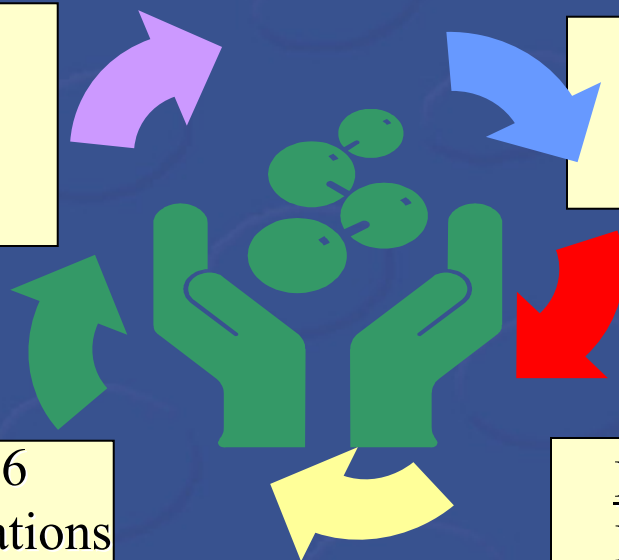
Responsible Care® Certification

ACC Certification Requirement

RCMS Audit

RC14001 Audit

Options Available to Meet
Business and ACC Requirements.

- Background

  - ISO 14001 is introduced in 1996 and is embraced by some companies as a requirement for suppliers.

  - State and federal agencies provide credit for companies with Environmental Management Systems in place (w/ third party audit).

  - Realization that self-evaluations and MSV process is not adequate for some companies in the marketplace.

Certification RC14001

- Background

  - Ad hoc group formed in December 2000 to develop a joint ISO14001-Responsible Care® certification - chaired by Wendy Finnerty, BASF.

  - Joint certification is seen as tool for members that are required to gain ISO14001 certification and want to build on Responsible Care®.

  - Project team included ACC company representatives, US Registrar Accreditation Board and ISO registrars.

Certification RCMS

- Background

  – Board approves recommendation to develop a mandatory third party certification process for Responsible Care® in September 2001.

  – Ad Hoc Team formed in January 2002 to address mandatory certification (Arch, Ashland, BASF, Bayer, Dow Corning, ExxonMobil, Lyondell, McGean, Rohm & Haas, Solvay, SOCMA, ACC).

  – Chaired by Barry Stutts of Bayer.

  – Build on concepts developed in the Strategic Review Process and the RC14001 process.

Certification Development Timeline

Begin 12/2000 → RC14001 → End 6/2002

Begin 1/2002 → RC Only → ACC Certification Requirement
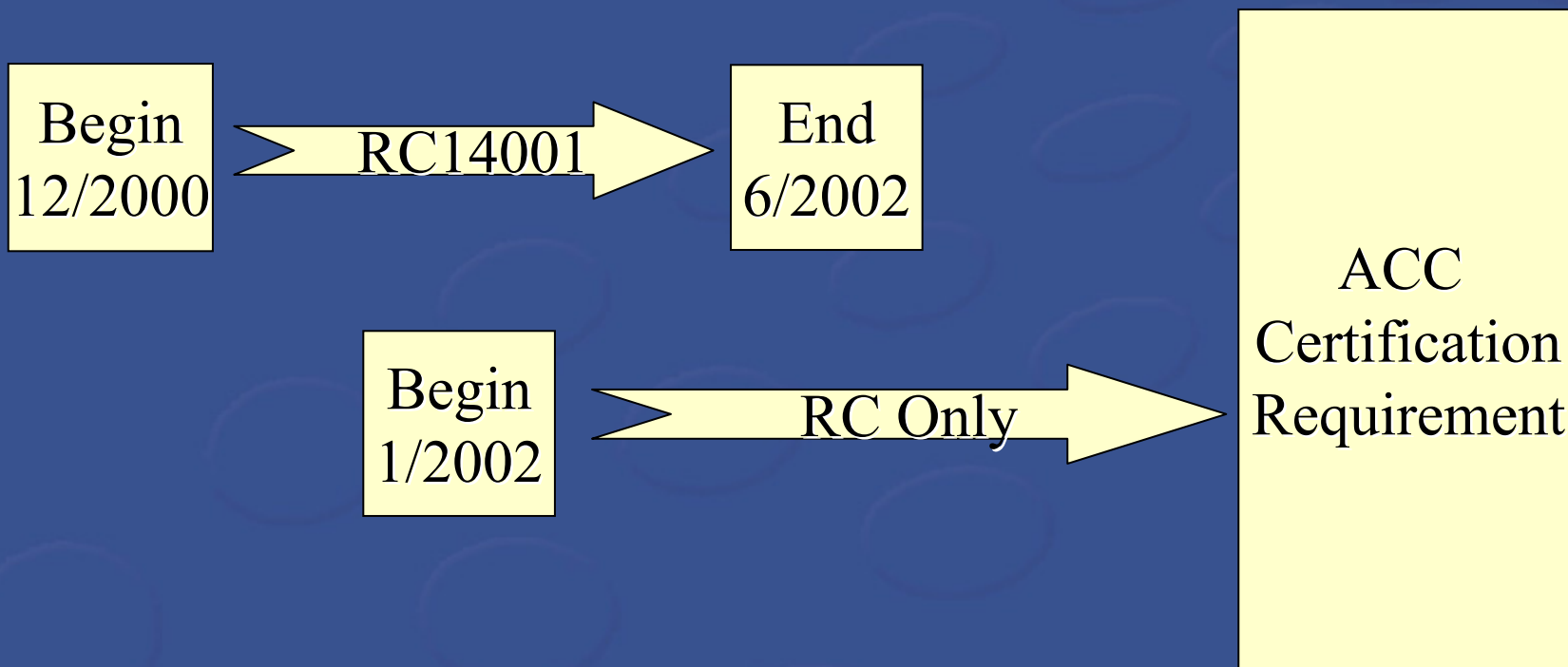
Certification

- Requirements – Approved in June 2002

  - All members will conduct 3rd party audits of Responsible Care$^®$ Management System beginning in 2004.

  - Audit will include HQ + Sample of US Facilities over four-year certification cycle. Move to three-year cycle in 2008.

  - Audits will be conducted by professional, qualified, third-party auditors.

  - Public participation encouraged, but not mandated.

  - Multiple service providers to conduct audits.

  - First audit sample must be completed by end of cycle (12/31/07) for company to be in good standing.

  - New cycle will begin in January 2008.

Member Certification Timing

Company Size	Requirement	12/2005	12/2007	1/2008 – 12/2010
1 - 25 sites	33% (to a max of 4)	HQ audited (minimum)	Site Requirements Met	Next Cycle
25 - 40 sites	6	HQ audited (minimum)	Site Requirements Met	Next Cycle
40+ sites	8	HQ audited (minimum)	Site Requirements Met	Next Cycle

Certification – RCMS

- ## What gets audited?

  - Company HQ gets audited every cycle.

  - Company and Auditor identify sites in sample. Sample should be representative of company.

  - Audit company/location management system against the RCMS Technical Specification (**not** a compliance audit).

  - Allows for "efficiencies" if company/location has existing third-party audited programs (e.g.. TCEQ EMS, OSHA Star), but cannot opt out of the audit.

  - Required to establish action plans and/or close out "open items" before audit is complete.

- ## Who can audit?

  - Open to any service provider that meets ACC requirements (legal entity, liability insurance, conflict of interest, etc.).

  - Auditors must meet ACC EHS experience requirements.

  - Auditors must attend and pass a qualified Responsible Care® Training Course (trainers to be determined).

  - Each service provider will be required to allow ACC review of its audit process.

  - Review of auditors by ACC or its designee at ACC's discretion.

- What is the outcome of the audit?

  – Auditor will either pass the location or identify non-conformances.

  – Auditor will request evidence that non-conformances have been closed.

    - May be able to complete with written report.

    - May require follow-up visit.

  – Once a company completes its sample, it will be listed on ACC website.

Certification – RC14001

- What gets audited?
  - Company identifies scope of audit/site.
  - Audit against RC14001 Technical Specification
    - ISO 14001 elements
    - Responsible Care® elements
  - Follows ISO rules so all elements must be audited (no efficiencies).
  - Company must complete corrective action plan to close audit (can be written submission or visit).
  - Periodic surveillance audits.

Certification – RC14001

- Who can audit?
    - Limited to ISO registrars.

    - Registrars must meet RAB and ACC requirements.

    - Auditors must be ISO14001 auditors and have additional EHS experience (similar to experience for RCMS audit).

    - Auditors must attend and pass Responsible Care® training course.

    - Registrars must have initial audit witnessed by RAB and ACC.

    - Registrars will include RC14001 documentation/evidence during their annual office audit conducted by RAB.

Certification – RC14001

- What is the outcome of the audit?

  – Auditor will either pass the operation identified in the audit scope or identify non-conformances.

  – Follows ISO rules on timing for closing items.

  – Registrar awards certificates for ISO 14001 and RC14001.

  – RC14001 accredited by the US Registrar Accreditation Board.

  – Sites with RC14001 certificates meet RCMS audit requirements provided certification is maintained.

Responsible Care® Certification

RC14001

- All ISO 14001 elements plus Responsible Care®.

- Follow ISO audit process.

- Registrars conduct audits.

- RC training for auditors.

- Company selects sites based on business needs.

- Encourage public participation.

- Option under larger ACC certification requirement.

- Accredited by US Registrar Accreditation Board.

RCMS

- All Responsible Care® elements.

- More flexibility than ISO process.

- Audit providers not restricted to registrars.

- RC training for auditors.

- More flexibility than ISO process.

- Encourage public participation.

- Sample of member company facilities.

- Recognition by ACC.

Responsible Care® Certification

- Company may conduct a mix of RC14001 and RCMS audits to meet ACC obligation.

- Company pays for the audits.

- Public participation is encouraged.

- ACC will seek credit from external parties for RC14001 and RCMS audits.

- Partners will also be subject to audits but in a modified manner.

Responsible Care Performance Metrics

Performance Metric	Collection of Information by Company or ACC	Information to be Reported on Company or Industry Basis	Public Reporting Begins
METRICS REFLECTING RESPONSIBLE CARE ENVIRONMENT, HEALTH, SAFETY AND SECURITY PERFORMANCE			
1. Pounds of TRI - air, land and water releases (reported separately)	Company	Company	2004
2. Number of reportable distribution incidents	Company	Company	2004
3. Number of process safety incidents	Company	Company	2004
4.a. OSHA recordable incident rate – employees	Company	Company	2004
4.b. OSHA recordable incident rate – contractors	Company	Company	2005
5.a. Percent facilities completing security assessments based on Security Code schedule	Company	Industry	2004
5.b. Percent facilities completing security enhancements/verification based on Security Code schedule	Company	Industry	2005
6. Certification of Responsible Care® Management System ("yes"/"no")	Company	Company	2004 (companies will have from 2004 to 2007 to complete certification)
METRICS REFLECTING REPUTATION, SUSTAINABLE DEVELOPMENT, PRODUCTS AND OTHER INITIATIVES			
7. Greenhouse gas emissions (pounds of CO_2 equivalent net emissions per pound of production) indexed to base year	Company	Industry	2005
8. Energy efficiency (BTUs consumed per pound of production) indexed to base year	Company	Industry	2005
9. Industry economic performance: a. Total industry R&D investment b. Total number of industry employees c. Total value of industry payroll d. Total value of U.S. industry net exports	ACC	Industry	2004
10. Company has in place a documented process for characterizing and managing product risk, and a summary of the process is available to the public. ("yes"/ "no")	Company	Company	2005
11. Company has in place a process to communicate results of the risk characterization and management process in an effort to facilitate public knowledge. ("yes"/ "no")	Company	Company	2005